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Message Text

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ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 EB-11 CIAE-00 INR-10 NSAE-00

RSC-01 COME-00 TRSE-00 DRC-01 /056 W
---------- 000809
P R 150850Z NOV 73
FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC PRIORITY 7831
INFO AMCONSUL ZAGREB

UNCLAS BELGRADE 5147

PASS EXIM BANK FOR SAUER, GLICK, CORETTA, HUSTON,
YOUND AND NORRIS FROM SOLOMON

E.O. 11652: N/A
TAGS: ENRG, EFIN, EGEN, YO
SUBJECT: KRSKO PROJECT AND YUGOBANKA CFF

A. IN MEETING WITH PARTIES ON KRSKO PROJECT IN ZAGREB ON NOV 13, FOLLOWING POINTS WERE RAISED, THE FIRST TWO OF WHICH HAVE BEEN COMMUNICATED TO YOU BY THEIR TELEX:

1. INCREASE OF LOCAL COST LOAN GUARANTEE TO 20 PERCENT OF U.S. PROCUREMENT.

2. GAS TURBINES ON SAME REPAYMENT TERMS AS NUCLEAR POWER EQUIPMENT.

3. PERIODIC EXIM BANK CREDIT INCREASE FOR ESCALATION.

4. LESS PRINCIPAL PAYMENTS IN BEGINNING FOR U.S. GOODS FINANCING BECAUSE OF LOCAL COST LOAN RE-PAYMENTS BUNCHED IN EARLIER YEARS.

5. REPAYMENT TERMS FOR SPECIAL LOAN FOR INTEREST DURING CONSTRUCTION ON SAME TERMS AS FOR NUCLEAR POWER EQUIPMENT AND NOT ON TERMS FOR FUEL CORE.

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SOLOMON REPLIED ABSOLUTELY NO TO POINT 1, AND GAVE LITTLE ENCOURAGE-

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MENT FOR POINTS 4 AND 5. FOR POINT 3 SOLOMON SUGGESTED 10 PER-
CENT CONTINGENCY IN MAKE-UP OF PURCHASE PRICE. SINCE SOLOMON
AND CONGEN OFFICER WILL MEET AGAIN WITH KRSKO PEOPLE IN LJUBLJANA
ON MONDAY, NOVEMBER 19, PLEASE ADVISE SOONEST.

B. EXPORT LOAN TO JUGOBANKA FOR INTERNATIONAL HARVESTER EQUIP-
MENT FOR USE BY "IVAN MILUTINOVIC" IN LIBYA:

1. APPLICATION PENDING SINCE JUNE.

2. NO NATIONAL BANK UNDERTAKING NEEDED SINCE NO REPEAT NO
PFI GUARANTEE REQUIRED BY BANKERS TRUST.

3. BEING RESUBMITTED AS 2 EXPORT LOANS. URGENT ACTION REQUESTED
BY JUGOBANKA.

C. DISCUSSION WITH NATIONAL BANK ON UNDERTAKING FOR CFF EXPORT LOANS:

1. NO POSSIBILITY EXISTS FOR UNDERTAKING ON EXPORT LOANS SINCE
NATIONAL BANK CONSIDERS ANY UNDERTAKING OF A CI AS A DIRECT
GUARANTEE AND NOT A "SUPERGUARANTEE."
TOON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BELGRA05147
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731133/aaaaaxsn.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 17 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17-Aug-2001 by maustmc>; APPROVED <07 FEB 2002 by cunninfx>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KRSKO PROJECT AND YUGOBANKA CFF A. IN MEETING WITH PARTIES ON KRSKO PROJECT IN ZAGREB ON NOV 13
TAGS: ENRG, EFIN, EGEN, YO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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